

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
INBOUND COMPETITIVE MULTI-SERVICE AGREEMENTS WITH
FOREIGN POSTAL OPERATORS
INTERCONNECT REMUNERATION AGREEMENT –
UNITED STATES POSTAL SERVICE AND
SPECIFIED POSTAL OPERATORS II (MC2010-34)
NEGOTIATED SERVICE AGREEMENT

Docket No.
CP2022-34

**RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 1-3 OF CHAIRMAN'S INFORMATION REQUEST NO. 2**
(June 21, 2022)

The United States Postal Service (Postal Service) hereby provides its responses to questions 1 through 3 of Chairman's Information Request No. 2, issued on June 13, 2022. The questions are stated verbatim and followed by the responses. The Postal Service also attaches responsive public and non-public financial workpapers as a part of its response and files certain responses under seal. The Postal Service maintains that the information filed under seal should remain confidential and incorporates by reference its Application for Non-Public Treatment filed with its initial Notice in this docket.¹ The Postal Service requests that the Commission continue to grant its Application for Non-Public Treatment of the materials filed under seal in this matter.

¹ Notice of United States Postal Service of Filing Functionally Equivalent Inbound Competitive Multi-Service Agreement with Foreign Postal Operators, Docket No. CP2022-34, December 8, 2021, at Attachment 1 (Application of United Postal Service for Non-Public Treatment of Materials).

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno
Chief Counsel
Global Business and Service Development
Corporate and Postal Business Law Section

Mikhail Raykher
Attorney

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1101
(202) 268-4277
mikhail.raykher@usps.gov
June 21, 2022

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 2**

1. Please refer to Excel file "NONPUBLIC-IRAG_IB_Standard_Premium Parcel_WP (CP2022-34).xlsx," tab "02_Inputs," cell B87. Cell B87 lists the source for FY 2021 inbound international domestic transportation cost by zone as Library Reference USPS-FY21-NP36, Excel file "Domestic Tran Calcs.xlsx," tab "ROW Air Packets by Zone." Library Reference USPS-FY21-NP36 does not contain a file by this name. Please provide an amended citation or an Excel file that includes the international domestic transportation cost by zone.

RESPONSE:

The Postal Service attaches public and non-public financial workpapers to this response to explain how it calculated the international domestic transportation cost for each of the four zones under the IRA-USPS II Agreement. Excel file NONPUBLIC USPS ChIR2 (1) (CP2022-34).xlsx (see PUBLIC USPS ChIR2 (1) (CP2022-34).xlsx for the public version) is used to calculate the volume distribution for each of the four zones. This information is then used in Excel file NONPUBLIC USPS ChIR2 (2) (CP2022-34).xlsx (see PUBLIC USPS ChIR2 (2) (CP2022-34).xlsx for the public version) as a basis to distribute the total weight in kilograms received into each of the four zones in order to assign the proper cost by zone.

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2. Please refer to Excel file "NONPUBLIC-IRAG_IB_Standard_Packet_WP (CP2022-34).xlsx," tab "02_Inputs," cell C40. Please confirm that the transportation cost per kilogram is the same across all zones.
 - a. If confirmed, please explain why the transportation cost per kilogram does not vary by zone.
 - b. If not confirmed, please provide the transportation cost per kilogram by zone with revised workpapers.

RESPONSE:

Please see Non-public Response, filed under seal.²

² *Id.*

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3. Please refer to Excel file "NONPUBLIC-IRAG_IB_Standard_Packet_WP (CP2022-34).xlsx," tab "07_Summary," cell E22.
 - a. Please explain what costs are included in "One Time and Annual Contract Costs."
 - b. Please explain how the contract costs in cell E22 are incurred or assessed. Please further explain whether these contract costs are affected by volume increases and decreases.

RESPONSE:

Please see Non-public Response, filed under seal.³

³ *Id.*